

Forest Stewardship State Advisory Committee Meeting
Minutes
July 1, 2008
Quality Inn, Gaylord, MI

MEMBERS PRESENT:

Gerald Grossman, Grossman Forestry Co. (Stewardship Adv. Comm. Chair)	Bill Cook, MSU Extension
Tom Stone, CFM Forester, DNR FMFMD	Mark Sargent, DNR, Wildlife Davison
John VanDyke, Private landowner	Kathleen Ryan, NRCS RC&D
Gary Willis, CFM Forester, DNR FMFM	Warren Suchovsky, Private landowner
Debra Huff, FSP Coordinator, DNR FMFMD	Tom Ward, State Forester, USDA NRCS
Kerry Wieber, Forest Legacy Coordinator, DNR FMFMD	Dale Allen, Farm Services Agency
Georgia Peterson, MSU Extension/DNR FMFMD Liaison	Gib King, USFWS MI PLO
Matt Kleitch, The Nature Conservancy NLP	Mike Hanley, CFM Forester, DNR FMFMD
Kieren Fleming, Little Traverse Conservancy	Rich Bowman, The Nature Conservancy
Bill & Alice Botti, Michigan Forest Association	Mike Hanley, CFM Forester, DNR FMFMD
Erik Johnson, MDA	

INTRODUCTORY BUSINESS:

Mr. Grossman called the meeting to order at 10:08 am. He passed out a membership list for this advisory committee and asked for any revisions to be sent to Debra Huff. The minutes were distributed from the last meeting and Tom Ward moved they be accepted. Motion was seconded by Bill Botti. All were in favor of approving the minutes and the agenda.

DNR UPDATE

Ms. Huff reported to the committee that the State Forester, Donna LaCourt, has left the DNR and is now employed in the Marquette area at the Michigan Economic Development Corporation. Applications for a new state forester are now being accepted.

She updated the committee regarding the efforts now being made on behalf of the DNR in the budget process. Scott Heather has reported to Huff that it looks like the CFM program will not be cut any further, although other cuts are on the table. The budget work prevented the attendance of Scott Heather and the Acting State Forester, Cara Boucher.

The discussion turned to the Qualified Forest Property Recapture Tax and the need for an amendment to that. An amendment to the Recapture tax for Commercial Forest lands has been drafted by Sen. Van Woerkem's office. It is possible that another amendment may be drafted to cover the Qualified Forest Property Recapture Tax Act – if enough input is received by Jeff Cobb at Senator VanWoerkem's office.

FOREST LEGACY

2006 FLP: We have acquired conservation easement (CE) #4 of the Northern Great Lakes Forest project (formerly called Kamehameha), which includes 36,716 acres in Luce, Schoolcraft and Alger counties. The DNR closed on this acquisition with The Nature Conservancy on April 28, 2008 utilizing the \$1.97 million in funding provided in FY2006 by the Forest Legacy Program. This is the first conservation easement in Michigan that was partially funded with Forest Legacy Program funding. 2007 FLP: We have approved funding for \$3,500,000 for the FLP portion of CE #5 of the Northern Great Lakes Forest project. This funding is for the acquisition of a CE on approximately 53,967 acres. 2008 FLP: We have approved funding for \$2,000,000 for the FLP portion of CE #6 of the Northern Great Lakes Forest project, which is half of our original request. This funding is for the acquisition of a CE on approximately 60,578 acres.

2009 FLP: Due to our 2008 FLP request being reduced by half, we have submitted the final request for the FLP portion of CE #6 of the Northern Great Lakes Forest project. This request was not included in the President's budget for FY2009. In the current President's budget, the FLP funding was cut by nearly 75% with only administration and three projects recommended for funding. The House and Senate are currently developing their own budgets and we are hopeful that the final budget will include funding for the final phase of the Northern Great Lakes Forest Project.

The Forest Legacy Subcommittee has been appointed and consists of: Kerry Wieber, Deb Huff, Greg Corace, Tom Stone, Tom Ward, Scott Whitcomb, Steve Kalisz, Keith Martell and Rich Bowman. The FLP subcommittee met on Thursday, June 12 to discuss the program and review the role of the subcommittee. The FLP subcommittee will meet in late July/early August to review all of the nominations received for FY2010 FLP funding. The subcommittee will then make recommendations to the overall committee for the prioritization of projects. We have received three project nominations for the FY2010 funding cycle. The projects include: 160 acres in Schoolcraft County; 2,342 acres in Antrim, Benzie & Manistee Counties; and a placeholder for the remainder of the Northern Great Lakes Forest Project, if it does not get funded under FY2009 funding.

FSP UPDATE:

Michigan has 39 certified plan writers with grants. The budget allocation for plan writing grants is not sufficient to meet the demand for grant dollars, so money from previous years FSP grants is being used. The USFS will be cutting the FSP dollars to the State by another 15% next year (as was done this year), so fewer dollars will be available for plan writing and Outreach and Education grants.

Year issued	Under contract	Private Match	Acres	Plans	Amt budgeted	Grants
2007	\$89,400.20	\$139,147.02	54,824	256	65,000.00	\$123,235.75
2008	\$69,035.24	\$94,096.95	25,948	174	\$100,000.00	\$144,521.25

In 2006, 160 plans were written, and \$37,821.67 was paid to plan writers in 2006 from cost share grants. \$50,000 was distributed in Outreach & Education grants. In 2007, 256 plans were written and \$89,400.20 was spent on them with cost share money.

In 2008, so far, \$145,521.25 has been allocated in cost share contracts, versus the \$100,000 allocated to FSP plan writer grants. Plan writers have commitments from private landowners so far for \$69,035.24 of cost share. Of this commitment, only \$36,299.24 has been actually paid so far, but with 174 plans under contract, and more coming in every day and field season is a time when the plans are being completed.

In 2007-2008, Michigan Partnered with the Delta Institute to produce a pilot project for providing Carbon trading opportunities to forest landowners who sustainably manage their forestland. This project provided a \$150,000 grant to the Delta Institute to develop a methodology to interact with the Chicago Climate Exchange for forestry carbon credit trading. This project enrolled 44 landowners and is currently being evaluated. The Technical Assistance fund provided the up-front money landowners needed to establish their baseline carbon levels, a precursor to estimating the additional carbon that their forests would hold.

In FY 2008, Michigan will complete the analysis of the Managed Forests Carbon Sequestration and Trading pilot project, as well as seek future funding for the expansion of this project. Michigan will experience a 15% decrease in funding from the Federal Government [for federally funded forestry programs in State and Private Forestry, such as Forest Stewardship, Urban & Community Forestry, Fire, and Forest Health. States will need to prioritize how that will be implemented. In addition, Michigan will continue to complete the Spatial Analysis Project, with the assistance of a student.

The competitive grant process will continue but will take time. Projects include the Carbon Sequestration project continuation, the Non-industrial Forestry Coalition, and the Intergenerational Transfer project. These projects capitalize on FSP strong partnerships with Delta Institute, MUCC, Extension, and forestry consultants. A new round of competitive grants proposals is underway.

Ms. Huff also announced the upcoming workshop during MSU's Agriculture and Natural Resources Week entitled "Planning for Sustainable Family Forests," was conducted in partnership with MSU Extension. This workshop was for both forest landowners and forestry consultants to learn more about Michigan forest landscapes, elements of a good forest plan and maps, and planning for the future. In 2009, another training session is planned during ANR week, and the topic will most likely be Intergenerational Transfer.

FLEP UPDATE

The Forest Land Enhancement Program (FLEP) has NOT been renewed with the new Farm Bill. Remaining monies in Michigan are getting distributed, especially via tree planting activities. All FLEP money must be spent by September 2008. Much of the federal FLEP money was rolled into the NRCS program, EQIP (Environmental Quality Incentives Program). Tree planting may be more welcomed through EQIP in the future to help cover the loss of FLEP.

It was found that there was about 50% of the amount of contracts that was not claimed by landowners in this program. That means that contracts were issued to landowners as requested, but when the expenditures came in, the landowners only qualified for about half of what they could be eligible for, if their expenditures were greater. This was a problem in this program because the allocated money could not be spent until the contracts expired, and the program expiration dates made re-issuance of new contracts a problem. Extensions on the Federal funds were subsequently requested twice.

Through the implementation of FLEP, we were able to improve the viability of our forests by improving them through FLEP 3 (Forest Stand Improvement) and FLEP 8, (Control of Invasive Species). The tree planting projects, which are the most numerous, will provide good benefits in terms of people investing in the land they own, obtaining Forest Stewardship plans to determine the natural resources on their property, and in the investment they make in improving the entire forest system they manage. This may contribute in the long run, to decreasing the tendency to parcelize forest property.

Overall FLEP accomplishments in Michigan from 2004 - 2008

Flep #	Practice	Contract allocated	Contract paid	Acres
1	Mgmt. Plan Preparation	\$12,450.50	\$8,246.25	4188.1
2	Afforestation Reforestation	\$722,187.04	\$366,693.91	4372.3
3	Forest Stand Improvement	\$89,990.20	\$38,793.23	2212.2
5	Water Quality Improvement	\$47,607.76	\$22,198.48	185.3
6	Wildlife Habitat Improvement	\$97,261.07	\$28,844.56	668.9
7	Forest Health	\$55,002.50	\$36,442.93	62.95
8	Invasive Species control	\$79,277.54	\$45,978.39	256.7
10	Catastrophic event rehabilitation	\$2,072.00	\$1,274.92	9.0
Totals		\$1,105,848.61	\$548,472.67	11955.45

TREE FARM / FSP PARTNERSHIP

A partnership between Michigan Tree Farm and the Forest Stewardship Program has been discussed for a long time, first, with Des Jones, past Executive Director, and now with Jerry Lambert, current Executive Director for Michigan. This partnership would enable a plan to be both a FSP plan AND a Tree Farm plan IF the landowner desired it to be so. Tom Stone, Jerry Lambert, and Debra Huff met in Gaylord on June 19 and worked out details via a checklist that entailed which items would need to be added to a Tree Farm plan to make it a FSP plan and which items would need to be added to a FSP plan to make it a Tree Farm plan.

Stone noted that the plan could only be written by a forester, as stipulated by Tree Farm regulations. These are more stringent than the FSP regulations. In addition, all plans would have to be approved by the DNR, as that is already required under the FSP. John VanDyke, landowner, stated that he wished plans could just be simplified.... Could landowners themselves just write them? Stone answered that it would not be possible under either program, as both require a professional to examine the breadth of natural resources on the property and to make recommendations on how to manage them based on their knowledge. Huff noted that Montana was a model for that, but under the joint program, required the use of a professional. Mark Sargent remarked that the different types of plans are already coming together since it is necessary to manage all of the resources.

Another opportunity under this partnership will be to share the monitoring duties now required of both programs. The FSP must be monitored annually to qualify for further federal funding. A sample is determined by an equation supplied by the USFS and Michigan must do 49 plans this year. It is hoped that if a property has been sampled for Tree Farm, then that exam will suffice for the FSP monitoring. Conversely, if FSP has monitored a property, that information could be provided to Tree Farm if it were also a Tree Farm property. This should be very helpful both ways. If the Conservation Districts have staff, it is hoped that they, too, could assist. Unfortunately, the USF has not provided any money to do this.

SPATIAL ANALYSIS PROJECT

Huff provided an additional handout that listed how the data layers ranked once they were evaluated by a group of DNR foresters, wildlife biologists, and fish biologists. These new weights will be incorporated into the final analysis. She indicated that it was difficult to utilize the Wildlife Conservation Plan because it did not prioritize certain species, but rather listed hundreds of species, for which habitat was prioritized. This does not lend itself to a statewide approach. Rich Bowden suggested that TNC can help us with a wildlife prioritized layer.

COMPETITIVE GRANT PROCESS

Georgia Peterson provided a brief update to the successful grant recipients in Michigan. These are the competitive grants offered by the USFS State and Private Forestry. Beginning in 2007, each state has been required to submit competitive grant proposals for specific projects relating to private forest lands programming. Proposals had to address three national priority themes: conserving working landscapes, protecting forests from harm, and enhancing benefits from trees and forests. The MDNR was awarded three grants that are of particular interest to the Forest Stewardship Program. They are the:

Working Forest Carbon Offset Project

The focus of this project is to provide an incentive to private forest owners to enhance the carbon sequestration capacity of their forests, and also to retain and manage their forests sustainably. This is an expansion and evolution of a pilot project created in Michigan in FY07. This project will enable private forest owners to participate in the Carbon trading market for the forests that they own. It will provide a

certification component, a baseline inventory, a contract with an aggregator, training for foresters and landowners, and a means of trading the additional carbon their forests sequester.

Coalition to Improve the Management of Non-Industrial Private Forestlands (NIPF)

This project works directly with Michigan United Conservation Clubs (MUCC) to address a significant issue facing Michigan's forest: the lack of management of NIPF lands, despite the availability of technical assistance, tax and other monetary incentives, and a historic culture of supporting the sound management of the state's natural resources. MUCC has hosted several stakeholder meetings, with the most recent one taking place on June 3. At that meeting, participants finalized the goals of the coalition and volunteered to serve on subcommittees to address the agreed-upon goals.

Family Forests for the Future: Enhancing Intergenerational Transfer of Family Forests

This project aims toward building an understanding and connection to the land between the current, older forest landowner generations and their heirs by sharing tools to keep the land in forest cover. A series of workshops, displays and technical assistance efforts will be led by the DNR and MSU Extension to prepare a set of MSU Extension and DNR staff (among others) that can deliver these materials across the state, reaching forest owners in both rural and urban settings. Later in July, Deb and Georgia will be convening a group of professionals from other states and the USFS to help us begin planning the train-the-trainer workshop.

INDIVIDUAL PARTNER REPORTS

- Mr. Ward described the training he has been doing for NRCS conservationists. He has done training in prescribed burning and will hold FSI (forest stand improvement) training. NRCS just finished Technical Guides for Windbreaks and for Tree Planting. In the Farm Bill, the Healthy Forest Reserve Program has money to restore ecosystems. He would like to use some to restore the Jack Pine that has been burned in the wildfire by Grayling. In EQIP, the bottleneck was the need to show a cash flow on forested properties, but he believes that now forest owners can just show that there are forest products on the site to qualify for EQIP. A plan is required and it must either be a Forest Stewardship plan or a Forest Practices plan. Huff indicated an interest in formalizing a partnership with NRCS regarding plans. Tom discussed WHIP and said that he is responsible for calling together a Michigan Technical Committee on Forestry (a subgroup) and would like to do so, once the details are worked out for the Farm Bill.
- Mr. Bill Botti, from the Michigan Forest Association, reported that they are preparing for their annual meeting to be held at the Hartley Outdoor Education Center in St. Charles, MI, on August 15 & 16. The featured speaker will be Dr. Patrick Ruzs, and Dr. Don Dickmann. Contact him at miforest@acd.net Through the Michigan Forest Foundation, they are offering a \$100 scholarship to Trees For Tomorrow – a 1 week school in Eagle River Wisconsin in October for a high school student. MFA has placed the Green Gold Coloring Book (history of Michigan forests) in all public schools for 4th graders. MFA is looking for persons who are interested in becoming board members and also a treasurer.
- Mr. Mark Sargent, from the Wildlife Division of the DNR, said that the WD has filled 36 positions in the last three months so they have been very busy. The Chief position should also be filled soon, since interviews are completed. The Landowner Incentives Program (LIP) has received 2 years more of funding so the program is continuing. They have been working with FWS on early successional forest species.
- Mr. Erik Johnson reports that there is no money for Conservation District foresters. He mentioned that the current budget proposal includes a \$750,000 transfer from the DNR Forest Development Fund, to the MDA for Conservation Districts, but he has no idea if that will remain in the budget. He also noted that they have placed the purple EAB traps all over the east end of the UP to try and determine the presence of any EAB.
- Mr. Warren Suchovsky noted that there are now 22 Master Loggers in Michigan. There is a lot of support from industry. David Refkin (Time Warner) wants more wood for paper production to

come from certified lands. He will accept wood from smaller acreages as certified if harvested by Certified Master Loggers who meet certain standards. NewPage has been working to develop a Smart Logger program. The Forest Resource Alliance (FRA) in MN is looking at logger certification programs, too.

- Mr. Bill Cook from Extension, said that there are several Extension thrusts – Intergenerational Transfer, Tax Program training, and Woodland Stewards program. He said there is also an important woody biomass information outreach effort.
- Ms. Georgia Peterson, from Extension and the DNR., added that the Master Woodland Stewards program was just held in May 2008, and was very successful. She felt this was partly due to using the mailing list from the Forest Stewardship Program, and providing a \$20 discount to the training. She added that the Conservation Stewards program is also very good and covers wildlife and terrestrial systems and mirrors the Master Gardener style and type of people.
- Mr. Jerry Grossman said that he participated in a training put on by another couple of consultants, (Jim Hammill and Dean Premo), on the west end of the UP. He said that it turned around our notions of how to hold a training, because it was NOT free, and it was NOT at night. Rather they charged \$25, had it mid-day, mid-week, and had a good turnout. He said the American Family Forest Foundation has money we should tap into, and to let him know if you have any Tree Farm issues nationally, since he is serving in a national role.
- Mr. Gib King, USFWS, went to the NIPF coalition meeting. He runs the Partners for Fish and Wildlife program. He gives technical assistance in forestry. He indicates a need to focus on migratory birds. Also there are USFWS efforts to protect the copper-bellied water snake (primarily Hillsdale county) – in forested systems. This effort is being made in the tri-county area of MI-OH-IN. He is also working on wetland restoration.
- Mr. Tom Stone said that the CFM foresters still do tax work on Qualified Forest Property and also on Commercial Forest property, but not a lot is allowed on other private lands.
- Mr. Gary Willis has seen a change in the attitude of people from “no-cut on my land” to pro-management once they could see the difference in managed forests after the last few years of severe drought. This type of technical assistance is invaluable.
- **ACTION ITEM SUGGESTED:** A lively discussion about the DNR commitment to assistance to private forest owners ensued. It was felt that the contributions of the Service Foresters are extremely important and the DNR should be allocating more resources to the CFM program beyond the tax programs. Jerry Grossman moved “**The Forest Stewardship Advisory Committee recommends that the Michigan DNR fund and support the Cooperative Forest Management program.**” This was seconded by John VanDyke and there was unanimous agreement with no nays. This recommendation will be sent to the DNR via the State Forester. Bill Botti added that we need to applaud the DNR for taking no further cuts in the 09 budget, also.
- Georgia Peterson suggested that a summary of the calls for technical assistance be compiled and then the FSAC can determine the work to be done.
- Mr. Matt Kleitch said he had just been assigned to the Northern Lower Peninsula, where TNC would like a stronger presence. He will be based in the Atlanta area.
- Mr. Dale Allen, Farm Services Agency, reported that for forestry in the Conservation Reserve Program (CRP), the new farm bill has reduced the national cap of acres. MI has not had a general sign up nor will they for a couple of years because of caps. He said that about 2/3 of people offered enrollment, accepted. This was before the spike in commodity prices, which may have decreased the numbers. Most tree practices expiring were found to not be maintaining their trees to standards.

Some farmers are being approached by others to convert their CRP acres, and to pay their penalties to convert the trees to commodity crops.

The CRP SAF program MI has started the Diverse Grassland effort. Leaders are the DNR, TNC and Pheasants Forever. Focus on 18 counties in Southern MI to recreate habitat. 90% of the cost is paid.

The CRP Native Pollinator program is targeted at orchard and vineyard areas to establish wildlife plots. 22 County are.

About 261,000 acres in CRP in MI under the farm bill into a biomass reserve program (switchgrass?) Some thinning opportunities under CRP. Agren – out of OH – concern about absentee landowners (ag & forestry land). They did a MI study (Tuscola and Arenac counties) Huge interest in wildlife and conservation. They set up training programs for landowners in the next few months.

- Mr. Kieran Fleming, of the Little Traverse Conservancy, said that he works within 5 counties, working on land trust issues with non industrial private forest owners. He has close to 40,000 acres perpetually protected, mostly with conservation easements. They also have a Pigeon River Forest conservation easement.
- Mr. Rich Bowden, of the Nature Conservancy, said that there is a strong interest in the Northern Lower Peninsula, especially in broader matrix forests. TNC has many active offices in many MI places but now they are establishing one in the NLP. They are trying to get more effective conservation on the ground.

The meeting was adjourned at 3:30pm